

A stylized graphic of the state of Utah. Inside the outline of the state, there are orange mountains with white peaks. The letters 'DABC' are written in large white font across the middle of the mountains. The entire graphic is set against a light blue background.

DABC New Funding

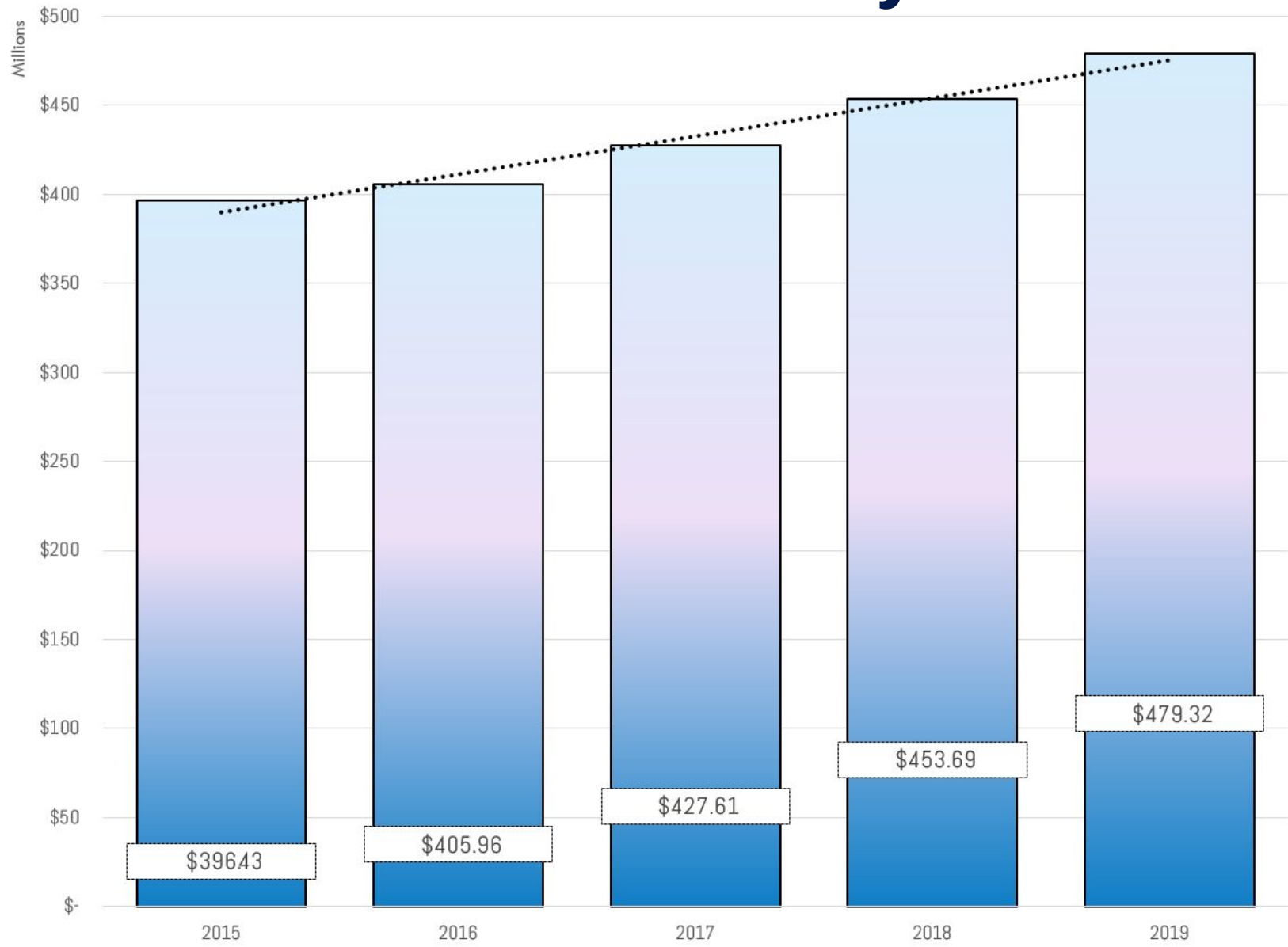
June 15th, 2020

DABC

UTAH DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL



Revenue Growth DABC 5 years



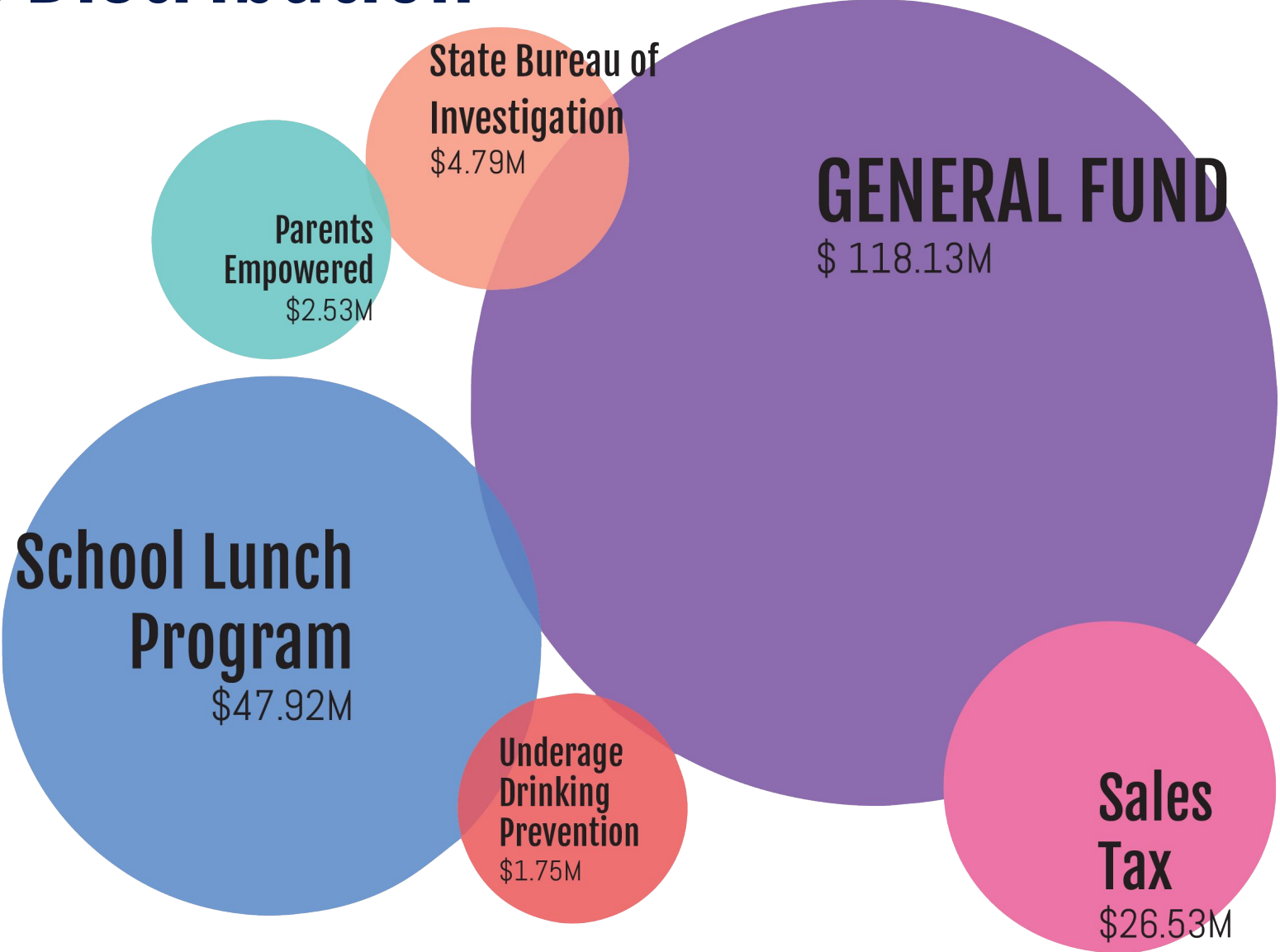
FY19 Revenue:
\$479,324,035

YOY Growth FY19:
5.650 %

5 Year CAGR:
4.962 %



Profit Distribution





Why Invest in DABC?

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Net Profit % of Sales	25.26%	25.62%	24.87%	24.98%	24.65%

Five year average = **25.10%**





What would the DABC do with the money?

1. Hire additional people
2. Increase wages
3. Increase training
4. Improve customer service





Operational Impacts



86%

*ALL EMPLOYEES
TURNOVER*

41%

*FULL-TIME EMPLOYEES
TURNOVER*

133%

*PART-TIME EMPLOYEES
TURNOVER*



Employee turnover costs

Full time store Employee = **\$7,118.42**

Part Time store Employee = **\$ 1,068.38**

Hard costs - recruiting hours, training hours, Product knowledge

Soft costs - reduction in manager recognition/coaching, customer service,
OT

Cost to DABC for turnover last year in hard costs **\$1,272,944.75**



Tenure helps efficiency

1. Employees become better at their jobs over time
2. Employees develop a better understanding of the needs of their customers the longer they interact with them.
3. Teamwork increases the longer employees work together as a group.
4. Long-term employees have a greater knowledge of the resources available at their companies and how to apply them to meet the needs of their customers.
5. Customers are more willing to ask questions and seek the advice and assistance of employees they know and trust.



Managers need to train/work with employees

“ I actually have time to operate a liquor store” - Store manager

There is more to running a successful store than just receiving the load, stocking the store and cashiering.

1. Employee Training
2. Employee Recognition and Coaching
3. Employee Morale etc.





Bottles Per Associate Hour

60

	Hours Worked	Bottles Sold	BPAH
FY 2019	741,160	49,216,256	66.40
FY 2020	754,680	51,362,236	68.06
FY 2021	781,720	53,396,220	68.31



Old vs New System

23.0 %	FY 2020	FY 2021	FY 2021	FY 2022	FY 2023
Sales	\$ 495,000,000	\$ 514,800,000	\$ 540,025,200	\$ 566,486,434	\$ 594,244,270
Old Net Profit	\$122,000,000	\$ 127,000,000	\$ 133,000,000	\$ 139,000,000	\$ 146,000,000
New Net Profit	\$ 114,000,000	\$ 118,400,000	\$ 124,000,000	\$ 130,000,000	\$ 136,600,000
DABC Budget Increase	\$ 8,000,000	\$ 8,600,000	\$ 9,000,000	\$ 9,000,000	\$ 9,400,000

23.5 %	FY 2020	FY 2021	FY 2021	FY 2022	FY 2023
Sales	\$ 495,000,000	\$ 514,800,000	\$ 540,025,200	\$ 566,486,434	\$ 594,244,270
Old Net Profit	\$ 122,000,000	\$ 127,000,000	\$ 133,000,000	\$ 139,000,000	\$ 146,000,000
New Net Profit	\$ 116,400,000	\$ 121,000,000	\$ 127,000,000	\$ 133,000,000	\$ 140,000,000
DABC Budget Increase	\$ 5,600,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000



Old vs New system

23.7 %	FY 2020	FY 2021	FY 2021	FY 2022	FY 2023
Sales	\$ 495,000,000	\$ 514,800,000	\$ 540,025,200	\$ 566,486,434	\$ 594,244,270
Old Net Profit	\$ 122,000,000	\$ 127,000,000	\$ 133,000,000	\$ 139,000,000	\$ 146,000,000
New Net Profit	\$ 117,500,000	\$ 122,000,000	\$ 127,000,000	\$ 134,000,000	\$ 141,000,000
DABC Budget Increase	\$ 4,500.000	\$ 5,000,000	\$ 6,000,000	\$ 5,000,000	\$ 5,000,000

24 %	FY 2020	FY 2021	FY 2021	FY 2022	FY 2023
Sales	\$495,000,000	\$ 514,800,000	\$ 540,025,200	\$ 566,486,434	\$ 594,244,270
Old Net Profit	\$122,000,000	\$ 127,000,000	\$ 133,000,000	\$ 139,000,000	\$ 146,000,000
New Net Profit	\$119,000,000	\$123,500,000	\$129,600,000	\$ 136,000,000	\$142,600,000
DABC Budget Transfer	\$ 3,000,000	\$ 3,500,000	\$ 3,400,000	\$ 3,000,000	\$ 3,400,000



UTAH DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL